



# PUBLIC NOTICE

**Federal Communications Commission**  
**45 L St., N.E.**  
**Washington, D.C. 20554**

**News Media Information 202 / 418-0500**  
**Internet: <http://www.fcc.gov>**

**DA 22-197**  
**February 25, 2022**

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE  
TRANSFER OF CONTROL OF NTS COMMUNICATIONS, LLC D/B/A VEXUS FIBER  
TO Q-COMM PYTHON CORPORATION**

**NON-STREAMLINED PLEADING CYCLE ESTABLISHED**

**WC Docket No. 22-58**

**Comments Due: March 11, 2022**  
**Reply Comment Due: March 18, 2022**

By this Public Notice, the Wireline Competition Bureau (Bureau) seeks comment from interested parties on an application filed by Python Holdings GP, LLC (Python Holdings), NTS Communications, LLC d/b/a Vexus Fiber (Vexus), and Q-Comm Python Corporation (Q-Comm) (collectively, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission's rules, requesting consent to consummate a transaction through which Q-Comm will acquire all of the equity of Vexus' indirect parent company.<sup>1</sup>

Python Holdings is a holding company and the 100% general partner of Python Holdings, L.P. (Parent), a Delaware limited partnership.<sup>2</sup> Parent wholly owns NTS Communications Holdings, LLC, a Delaware holding company, which wholly owns Vexus, a Delaware limited liability company.<sup>3</sup> Python Holdings does not provide telecommunications services.<sup>4</sup>

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<sup>1</sup> See 47 U.S.C. § 214; 47 CFR §§ 63.03-04; Application of Python Holdings GP, LLC to Q-COMM Python Corporation for Consent to Transfer Control of Domestic Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended, WC Docket No. 22-58 (filed Feb. 9, 2022) (Application). Applicants filed supplements to their application on February 16, 2022, February 22, 2022, and February 25, 2022. Letter from Catherine Wang, Brett P. Ferencsak, Stephany Fan, Counsel to Python Holdings GP, LLC and NTS Communications, LLC d/b/a Vexus Fiber, and Nancy J. Victory and Peter Shroyer, Counsel to Q-Comm Python Corporation, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-58 (filed on Feb. 16, 2022); Letter from Catherine Wang, Brett P. Ferencsak, Stephany Fan, Counsel to Python Holdings GP, LLC and NTS Communications, LLC d/b/a Vexus Fiber, and Nancy J. Victory, Michael Hazzard, and Peter Shroyer, Counsel to Q-Comm Python Corporation, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-58 (filed on Feb. 22, 2022) (Applicants' Feb. 22 Supplement); Letter from Nancy J. Victory, Michael Hazzard and Peter Shroyer, Counsel to Q-Comm Python Corporation, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-58 (filed on Feb. 25, 2022). Applicants also filed or will file applications for the transfer of authorizations associated with international services, Cable Television Relay Services, and an earth station notice. Any action on this domestic section 214 application is without prejudice to Commission action on other pending applications.

<sup>2</sup> Application at 2.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

Vexus, a competitive local exchange carrier (LEC) authorized in Texas and Louisiana.<sup>5</sup> Vexus also provides interexchange services and other services in Texas, Louisiana, New Mexico, and Arizona (Vexus Operating States).<sup>6</sup> Vexus is an eligible telecommunications carrier (ETC) in Louisiana and Texas.<sup>7</sup> Vexus is a recipient of frozen high-cost Universal Service Fund support in Texas, and provides Lifeline and Emergency Broadband Benefit services to customers in Texas and Louisiana.<sup>8</sup> Vexus participated in and won the rights to provide service to 13 locations in Texas through Phase I of the Rural Digital Opportunity Fund (RDOF) Auction.<sup>9</sup>

Q-Comm, a Delaware holding company, is an indirect, wholly owned subsidiary of MetroNet Holdings, LLC (MetroNet Holdings).<sup>10</sup> MetroNet Holdings, a Delaware corporation, provides, through its direct and indirect, wholly owned subsidiaries domestic telecommunications services, VoIP services, broadband services, and multichannel video programming services in certain portions of Florida, Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, North Carolina, Ohio and Wisconsin.<sup>11</sup> Through its MetroNet Holdings ownership, Q-Comm is affiliated with the following U.S.-based entities: Climax, an incumbent LEC and competitive LEC in Michigan; CMN-RUS, Inc., a competitive LEC and interexchange carrier in Indiana and Kentucky; Jaguar Communications, Inc., a competitive LEC and interexchange provider in Minnesota; and Metro FiberNet, LLC (MFN), a competitive LEC and interexchange provider in Florida, Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, North Carolina, Texas, Wisconsin, and Virginia.<sup>12</sup> The operating areas of MetroNet Holdings' subsidiaries do not currently overlap with the areas in which Vexus operates.<sup>13</sup> The following entities hold a 10% or greater interest in Holdings: the Oak Hill Investors;<sup>14</sup> the Cinelli Investors;<sup>15</sup> and funds advised and/or managed by indirect subsidiaries

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<sup>5</sup> *Id.* Vexus also provides video service pursuant to a State-Issued Certificate of Franchise Authority for certain portions of Texas and a State Cable and Video Franchise Certificate in Louisiana. *Id.* at 2, n.1.

<sup>6</sup> *Id.* at 2.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* at 2.

<sup>9</sup> *Id.* at 2-3; Applicants' Feb. 22 Supplement at 1 (stating that Vexus was awarded a total RDOF support over a ten-year period of \$8,923); *Rural Digital Opportunity Fund Phase I Auction (Auction 904) Closes; Winning Bidders Announced*, AU Docket No. 20-34, WC Docket No. 19-126, WC Docket No. 10-90, Public Notice, 35 FCC Rcd 13888, Attach. A (Winning Bidder Summary) (2020); *See Rural Digital Opportunity Fund Support Authorized For 469 Winning Bids*, AU Docket No. 20-34, WC Docket No. 19-126, WC Docket No. 10-90, Public Notice, DA 21-1287, at Attach. A (Authorized Long-Form Applicants and Winning Bids) (WCB 2021).

<sup>10</sup> Application at 3.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.* at 20-24. On February 14, 2022, the Bureau granted the domestic section 214 application for MetroNet Holdings' indirect subsidiary, MetroNet Systems, LLC, to acquire certain competitive LEC assets in Florida of Hargray of Tallahassee, LLC and Low Country Carriers, Inc. d/b/a Hargray Long Distance. *Notice of Domestic Section 214 Authorization Granted*, WC Docket No. 21-504, Public Notice, DA 22-150 (WCB 2022).

<sup>13</sup> *Id.* at 3.

<sup>14</sup> The Application at 8-18, Ex. C (Post-Transaction Ownership) describes in detail the post-transaction ownership of the Oak Hill Investors and MetroNet Holdings. The Oak Hill Investors are affiliated with Oak Hill Capital Management, a private equity fund that is based in the U.S. but whose funds are organized in the Cayman Islands. Control of these funds ultimately rests in U.S. entities or citizens. Applicants' Feb. 25

of KKR & Co. Inc. (KKR).<sup>16</sup> Applicants state that the Oak Hill Investors and the Cinelli Investors each have negative *de facto* control of Holdings.<sup>17</sup>

Pursuant to the terms of the proposed transaction, the Applicants and certain related parties entered into an Agreement and Plan of Merger pursuant to which MetroNet Python Merger Sub, LLC, a wholly owned subsidiary of Q-Comm, will merge with and into Parent with Parent as the surviving entity.<sup>18</sup> As a result of this proposed merger, Vexus will become a wholly owned, indirect subsidiary of Q-Comm.<sup>19</sup>

Applicants assert that a grant of the Application would serve the public interest, convenience, and necessity.<sup>20</sup> Applicants state that the proposed transaction “will not result in any changes that would compromise Vexus’ ability to meet its current RDOF, Lifeline, or EBB/ACP service obligations.”<sup>21</sup> Specifically, Applicants certify that Q-Comm “does not contemplate any changes to Vexus’ buildout plans presented in its RDOF long form application.”<sup>22</sup> Vexus and Q-Comm further confirm that “Vexus will continue to fulfill the relevant service obligations attaching to those build-out plans.”<sup>23</sup> They state that the proposed transaction would be entirely seamless to customers and will have no impact on Vexus’ day-to-day operations and service offerings.<sup>24</sup> Vexus will continue to provide service to its customers at the same rates, terms, and conditions without interruption.<sup>25</sup> Applicants further contend that the proposed transaction will provide access to additional funding and management expertise, which will enhance Vexus’ ability to: 1) accelerate

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Supplement at 2. Through the Oak Hill Investors, MetroNet Holdings is affiliated with Otelco, Inc. and its subsidiaries, Ontario Telephone Company, Trumansburg Telephone Company, Inc., and Finger Lakes Communications Group, Inc., all of which provide incumbent LEC and competitive LEC services in multiple states, and certain other competitive providers. *Id.* at 22-24. Certain Oak Hills funds, in addition to un-related investors, currently hold a 10% or greater interest in Vexus. Application at 24 and Exh. B (Current Ownership Structure of Vexus).

<sup>15</sup> Applicants provide information on each of the entities and individuals who are included in the Cinelli Investors in the Application at 9-10, Ex. C (Post-Transaction Ownership). Applicants state that all the Cinelli Investors are U.S. citizens, trusts, or entities. John Cinelli and Janet Cinelli, both U.S. citizens, are the Co-Trustees and control Cinelli Investors. *Id.*

<sup>16</sup> The Application at 13-18, and Ex. C (Post-Transaction Ownership) describes in detail the post-transaction ownership of the KKR investor entities. KKR, an investment firm, and the KKR investor entities are owned by one or more funds advised and/or managed by indirect subsidiaries of KKR, a publicly traded Delaware corporation. *Id.*

<sup>17</sup> Application at 27, Exh. C (Ownership and Control Structure of Holdings); Applicants’ Feb. 25 Supplement at 2.

<sup>18</sup> *Id.* at 3.

<sup>19</sup> *Id.*

<sup>20</sup> Application at 4.

<sup>21</sup> Applicants’ Feb. 22 Supplement at 1.

<sup>22</sup> *Id.* at 2.

<sup>23</sup> *Id.*

<sup>24</sup> Application at 4.

<sup>25</sup> *Id.*

investment and service expansion in its network in the Vexus Operating States; and 2) better compete for customers.<sup>26</sup>

Because the proposed transaction would involve the exchange and assumption of Universal Service Fund high-cost mechanism obligations, in order to sufficiently analyze whether the proposed transaction would serve the public interest, we accept the Application for non-streamlined processing.<sup>27</sup>

Domestic Section 214 Application Filed for the Transfer of Control of  
NTS Communications, LLC d/b/a Vexus Fiber to Q-Comm Python Corporation  
WC Docket No. 22-58 (filed Feb. 9, 2022).

## **GENERAL INFORMATION**

The application identified herein has been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies.

Interested parties may file comments **on or before March 11, 2022**, and reply comments **on or before March 18, 2022**. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by paper.

- **Electronic Filers:** Comments may be filed electronically by accessing ECFS at <http://apps.fcc.gov/ecfs/>.
- **Paper Filers:** Parties who choose to file by paper must file an original and one copy of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.
  - Filings can be sent by commercial overnight courier or by first-class or overnight U.S. Postal Service mail.<sup>28</sup> All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

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<sup>26</sup> *Id.*

<sup>27</sup> See 47 CFR § 63.03(c)(1)(v); *Telecommunications Carriers Eligible for Universal Service Support; Connect America Fund*, WC Docket Nos. 09-197, 10-90, Order, DA 21-663, para. 30 (WCB 2021) (stating that ETCs seeking to transfer control of their domestic authorizations to operate pursuant to section 214 of the Act or to engage in the sale of assets under section 214 (including any authorization to receive RDOF support) must first receive approval from the Commission in accordance with sections 63.03 and 63.04 of the Commission's rules governing the procedures for domestic transfer of control/asset applications, 47 CFR §§ 63.03-04). In the *Executive Branch Review Process Order*, the Commission set out categories of applications with reportable foreign ownership that may be excluded from referral to the Executive Branch for review for national security, law enforcement, foreign policy, and trade policy issues. See *Process Reform for Executive Branch Review of Certain FCC Applications and Petitions Involving Foreign Ownership*, IB Docket 16-155, Report and Order, 35 FCC 10927, 10938-42, paras. 29-39 (2020) (*Executive Branch Review Process Order*). Applicants have made a showing that the only reportable foreign ownership in MetroNet Holdings, LLC is through passive, offshore intermediary holding companies and that 100% of the ultimate control is held by U.S. citizens or entities. Application at 26-28. We are exercising our discretion and are not referring this application to the Executive Branch agencies. See *Executive Branch Review Process Order*, 35 FCC Rcd at 10941, para. 36, n.99; see also *id.* at 10957, para. 81, n.205.

- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701. U.S. Postal Service first-class, Express, and Priority mail must be addressed to 45 L Street, NE, Washington, DC 20554.

**In addition, e-mail one copy of each pleading to each of the following:**

- 1) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, [tracey.wilson@fcc.gov](mailto:tracey.wilson@fcc.gov);
- 2) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, [dennis.johnson@fcc.gov](mailto:dennis.johnson@fcc.gov);
- 3) David Krech, Telecommunications and Analysis Division, International Bureau, [david.krech@fcc.gov](mailto:david.krech@fcc.gov); and
- 4) Jim Bird, Office of General Counsel, [jim.bird@fcc.gov](mailto:jim.bird@fcc.gov).

People with Disabilities: We ask that requests for accommodations be made as soon as possible in order to allow the agency to satisfy such requests whenever possible. Send an email to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or call the Consumer and Governmental Affairs Bureau at (202) 418-0530.

The proceeding in this Notice shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s *ex parte* rules. Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter’s written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b), 47 CFR § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission’s *ex parte* rules.

To allow the Commission to consider fully all substantive issues regarding the application in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in their initial filings. New issues may not be raised in responses or replies.<sup>29</sup> A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed

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<sup>28</sup> Effective March 19, 2020, and until further notice, the Commission no longer accepts any hand or messenger delivered filings. This is a temporary measure taken to help protect the health and safety of individuals, and to mitigate the transmission of COVID-19. *See FCC Announces Closure of FCC Headquarters Open Window and Change in Hand-Delivery Policy*, Public Notice, 35 FCC Rcd 2788 (Mar. 19, 2020), <https://www.fcc.gov/document/fcc-closes-headquarters-open-window-and-changes-hand-delivery-policy>.

<sup>29</sup> *See* 47 CFR § 1.45(c).

within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

For further information, please contact Tracey Wilson at (202) 418-1394 or Dennis Johnson at (202) 418-0809.

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